HARVARD
Faculty of Arts and Sciences

Financial Report

Fiscal Year 2025

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Certain prior year amounts have been reclassified to conform to current year presentation.

This report presents a financial view of the Faculty of Arts and Sciences of Harvard University operations. The figures presented in the report have not been audited, are not intended to present financial results in accordance with Generally Accepted Accounting Principles (GAAP) and do not represent a subset of the University's financial statements and related footnotes.

Faculty of Arts and Sciences
Statement of Activity for Consolidated

(in millions)		June 30	
Revenues:		**2025**	**2024**
Tuition and Fees	*(1)*	$716.8	$686.2
Less: Financial Aid	*(2)*	(358.0)	(337.2)
Net Tuition and Fees		358.8	349.0
Grants and Contracts	*(3)*	221.3	209.0
Current Use Gifts	*(4)*	157.9	115.3
Endowment Distribution	*(5)*	942.1	904.1
Other Investment Income		26.8	25.3
Other Income	*(6)*	49.0	68.9
Income Transfers	*(7)*	26.3	4.8
Total Revenues		**$1,782.2**	**$1,676.4**
Expenses:			
Salaries and Wages	*(8)*	637.0	604.0
Employee Benefits		173.6	159.9
Fellowships and Awards	*(9)*	99.7	91.1
Supplies, Materials, and Equipment		80.4	72.6
Operations and Maintenance of Plant	*(10)*	238.8	228.6
Depreciation		138.5	130.4
Interest on Internal Debt		56.5	54.4
Services Purchased	*(11)*	249.8	222.5
Other Expenses	*(12)*	76.5	73.1
Transfers to University, University Assessment		47.5	45.9
Expense Transfers		(8.4)	(9.0)
Total Expenses		**$1,789.9**	**$1,673.5**
Net Revenue		**$(7.7)**	**$2.9**

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Faculty of Arts and Sciences
Balance Sheet for Consolidated

(in millions)		June 30	
ASSETS:		**2025**	**2024**
Deposits with the University		$2,011.3	$1,498.8
Receivables			
Student Receivables		8.5	7.8
Other Receivables		9.5	8.3
Prepayments and Deferred Charges		20.4	20.2
Operating Leases, Right-of-Use		96.7	129.4
Notes Receivable	*(13)*	177.7	170.4
Pledges Receivable		697.2	672.7
Fixed Assets, Net of Accumulated Depreciation	*(14)*	2,733.5	2,470.2
Interests in Perpetual Trusts Held by Others		132.0	119.1
Long-Term Investments (Primarily Endowment)	*(15)*	22,550.5	21,030.7
TOTAL ASSETS		**$28,437.3**	**$26,127.6**
LIABILITIES:			
Accrued Expenses		$50.9	$24.4
Operating Lease Liabilities		96.7	129.4
Deferred Revenue and Other Liabilities		101.2	82.3
Internal Debt Obligations	*(16)*	1,571.3	1,485.8
TOTAL LIABILITIES		**$1,820.1**	**$1,721.9**
TOTAL NET ASSETS		**$26,617.2**	**$24,405.7**
TOTAL LIABILITIES AND NET ASSETS		**$28,437.3**	**$26,127.6**

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Faculty of Arts and Sciences
Statement of Financial Activities

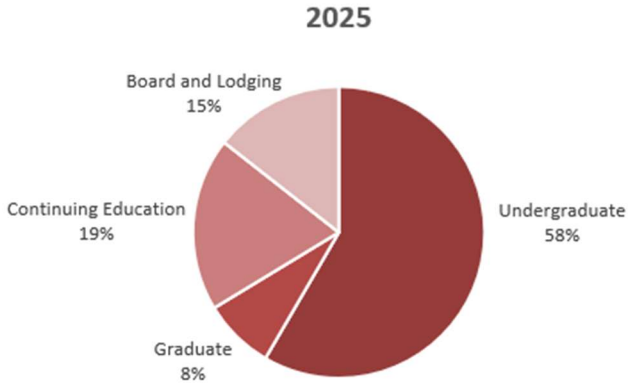
(in millions)		June 30	
		2025	**2024**
Net Revenue		**$(7.7)**	**$2.9**
Add Back: Depreciation		138.5	130.4
Transfers within General Operating Account (GOA)			
Investment in Plant and Equipment	*(17)*	49.4	61.4
Principal on Debt		67.7	58.8
Other Transfers within GOA		(9.2)	(1.5)
Transfers to/from Endowment		(6.6)	7.7
Transfers to/from Split Interest Agreements		(9.3)	(8.7)
Other Changes in Net Assets		0.2	0.0
TOTAL FINANCIAL ACTIVITIES		**$223.0**	**$251.0**

Notes to Consolidated Financial Statements

1. Tuition and Fees

Tuition and fees revenue includes both undergraduate and graduate tuition, as well as fees, such as the student activities fee. The revenue from on-campus board and lodging is reflected as well. Revenue from Continuing Education is also included, with tuition for degree-granting programs, executive and professional nondegree tuition, summer programs, and other fees.

The composition of tuition and fees revenue in fiscal year 2025 is:



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2. Financial Aid

Financial aid was as follows:

(in millions)	**2025**	**2024**
Undergraduate	$275.2	$260.9
Graduate	68.6	63.1
Continuing Education	14.2	13.2
TOTAL FINANCIAL AID	**$358.0**	**$337.2**

FAS financial aid to undergraduate, graduate, and continuing education students includes institutional scholarships and external grants. It does not include fellowships and awards, which are primarily granted to graduate students. Those costs are captured in the expense section of the Statement of Activity.

The increase in undergraduate financial aid is driven by the 4.3 percent increase in billed costs. The family income threshold to receive full financial aid remained $85,000 in fiscal year 2025, which accounted for approximately 24 percent of families not being required to contribute to the cost of their student's education. Beginning in the 2025-26 academic year, the family income threshold for full financial aid increased to $100,000. In addition, families with typical assets making $200,000 and below will have the cost of tuition covered.

Since launching of the Harvard Financial Aid Initiative in 2005, the FAS has awarded more than $3.6 billion in grant aid to undergraduates, and the undergraduate financial aid budget has increased more than 240 percent, from $80 million in 2005 to $275 million in 2025. Approximately 55 percent of undergraduate students receive financial aid. Undergraduate financial aid awards consist of grants: students are never required to take out loans to cover the cost of their education, although they are expected to contribute through term-time work.

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3. Grants and Contracts

Grants and contracts were as follows:

(in millions)	2025			2024
	Direct	**Indirect**	**Total**	**Total**
Federally Sponsored Research[1]	$83.9	$34.9	$118.8	$131.0
Non-federally Sponsored Research	66.7	7.5	$74.2	$52.4
Other Sponsored	28.3	0.0	$28.3	$25.6
TOTAL GRANTS AND CONTRACTS	**$178.9**	**$42.4**	**$221.3**	**$209.0**

[1] Federally Sponsored Research totals do not include grants and contracts that the federal government terminated or suspended payments on and include $14.1 million of direct and $5.2 million of indirect costs.

Grants and contracts normally provide for the recovery of direct costs and partial recovery of indirect costs. During fiscal year 2025, the federal government terminated or suspended payments on certain sponsored awards previously granted to the University. As a result, the University did not recognize revenue on most of these awards during the period that expenditures were incurred and the awards were terminated. Payments received on federal sponsored grants that were subsequently reinstated will be recognized as revenue in fiscal year 2026.

Direct costs are those costs directly associated with the grant-funded activity (e.g., salaries of investigators, lab reagents, and research materials). Indirect cost recoveries help to pay for related costs such as facilities, libraries, and research administration. Indirect costs for federal projects are recovered at a predetermined rate negotiated with the federal government.

The negotiated federal rate for the FAS was 69.0 percent for organized on-campus research in both 2025 and 2024. Non-federal sponsors' rates vary. Not all direct research expenses are eligible for indirect cost recovery, such as capital equipment, subcontract expenditures, and costs related to training grants.

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4. Current Use Gifts

Current use gifts increased in 2025 by $42.6 million, or 36.9 percent. Current use gifts are gifts that may be spent down and are typically used within a relatively short time frame of one to three years. These gifts may be unrestricted or restricted depending on terms set forth by the donor.

5. Endowment Distribution

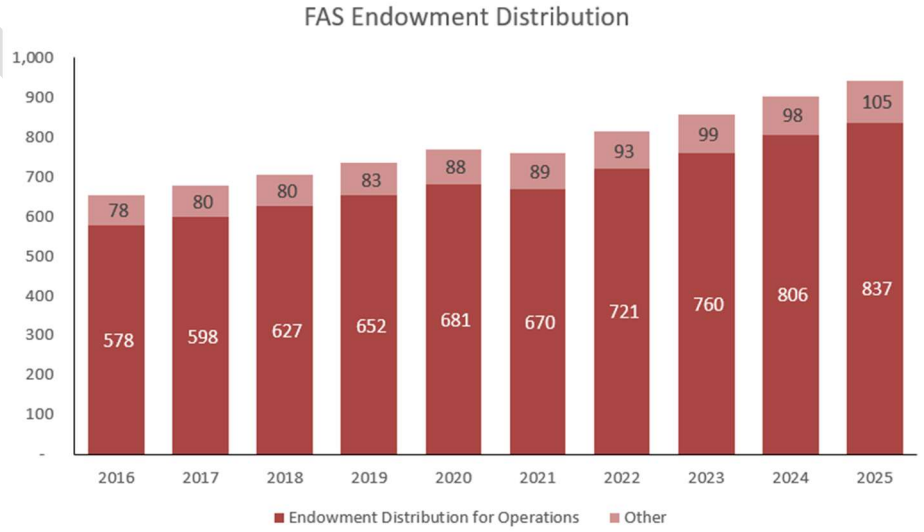
The components of the endowment distribution were:

(in millions)	**2025**	**2024**
Endowment Distribution	$837.1	$806.2
Distribution for Central Administrative Operations	91.5	87.7
Endowment Income, Capitalizations [1]	(11.5)	(15.3)
Endowment Income, Transfers	25.0	25.5
TOTAL ENDOWMENT DISTRIBUTION	**$942.1**	**$904.1**

[1] Represents current year earned income that is capitalized due to either donor requirements or University or department requests.

Endowment income represented 52.9 percent of the FAS's total revenues. In addition to the annual endowment returns made available for operations, the FAS utilizes an assessment to support administrative costs.

The chart below shows the FAS endowment distribution since 2016:



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6. Other Income

Other income was as follows:

(in millions)	**2025**	**2024**
Royalty Income [1]	$7.9	$27.2
Sales of Services	14.1	11.7
Rental Income	8.3	8.1
Merchandise and Materials Sales	1.3	4.9
Admissions Application Fees	3.8	4.1
Miscellaneous Income [2]	13.6	12.9
TOTAL OTHER INCOME	**$49.0**	**$68.9**

[1] Excludes distributions to third parties.
[2] Miscellaneous income includes fees and fines, including subscription and membership fees, advertising sales, and athletic facility use fees.

7. Income Transfers

Income transfers increased in 2025 by $21.5 million. Income transfers represent both support **to** the FAS from other areas within Harvard University and support **from** the FAS to other areas within Harvard University. These transfers represent a wide array of uses, including seed grants for research and instruction, interdisciplinary and interschool programs, and one-time support from the University to support research continuity .

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8. Salaries and Wages

Personnel costs (salaries, wages, and benefits) are the largest component of the FAS's expenses. In 2025, these costs represented 45.3 percent of the total FAS expenses.

The composition of salaries and wages was as follows:

(in millions)	**2025**	**2024**
Faculty	$228.5	$220.4
Exempt	176.8	162.4
Union	86.3	79.9
Other	145.4	141.3
TOTAL SALARIES AND WAGES	**$637.0**	**$604.0**

9. Fellowships and Awards

The composition of fellowships and awards was as follows:

(in millions)	**2025**	**2024**
Graduate Scholarships and Grants	$63.3	$55.4
Student Stipends	14.8	15.5
Prizes and Awards	11.3	11.2
Grants and Awards (Non-Harvard Students)	6.3	5.9
Other Student Grants	4.7	4.2
Recovery of Scholarships and Awards	(0.7)	(1.1)
TOTAL FELLOWSHIPS AND AWARDS	**$99.7**	**$91.1**

In 2025, there was an overall increase in graduate scholarships and grants. This was driven largely by an increase in the financial aid stipend rate for PhD students, as well as an increased aid package that included an expansion of the dental premium subsidy and the introduction of a transit support subsidy.

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10. Operations and Maintenance of Plant

Operations and Maintenance of Plant was as follows:

(in millions)	**2025**	**2024**
Operations		
Cleaning and Housekeeping	$40.6	39.0
Security Services	18.1	17.1
Groundskeeping	6.5	5.6
Other	13.2	12.9
Utilities		
Electricity	21.2	20.0
Hot + Chilled Water	14.3	13.6
Steam	15.9	15.4
Utilities Systems	10.7	10.5
Other	6.5	5.6
Improvements, Repairs, Maintenance	68.6	65.9
Rentals Net of Recoveries	23.2	23.0
TOTAL OPERATIONS AND MAINTENANCE OF PLANT	**$238.8**	**$228.6**

At the end of 2025 the FAS campus included 265 owned buildings comprising approximately 10.0 million gross square feet. The main driver for the overall increase is related to rate increases across services and utilities as well as increased usage.

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11. Services Purchased

The major components of services purchased were as follows:

(in millions)	**2025**	**2024**
Professional Services	$72.5	$69.4
Technology Services	61.0	55.7
Subcontracted Services	26.4	18.7
Dining and Catering Services	18.9	18.1
Contingent Labor and Labor Services	9.9	9.4
Other Student-Related Services	7.2	7.8
Records and Preservation	6.9	7.0
Noncomputer Repairs and Maintenance	5.8	4.8
Other Services	41.2	31.6
TOTAL SERVICES PURCHASED	**$249.8**	**$222.5**

12. Other Expenses

The major components of other expenses were as follows:

(in millions)	**2025**	**2024**
Travel and Entertainment	$35.7	$35.0
Postage	5.7	5.6
Taxes, Fees, and Licenses	4.8	4.6
Insurance	3.8	3.9
Telephone	3.6	3.9
Printing and Publishing	3.2	3.2
Training and Professional Development	2.7	2.7
Other Miscellaneous Expenses	17.0	14.2
TOTAL OTHER EXPENSES	**$76.5**	**$73.1**

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13. Notes Receivable

Notes receivable and the related allowance for doubtful amounts were as follows:

(in millions)	**2025**	**2024**
Student Notes Receivable:		
University Loan Program	$27.1	$26.8
Faculty Loans	150.6	143.6
TOTAL NOTES RECEIVABLE	**$177.7**	**$170.4**

Faculty loans are primarily mortgages and educational loans with the faculty of the FAS. Mortgages include shared appreciation loans, loans that bear interest at the Applicable Federal Rate (AFR), and zero-interest loans. Educational loans are primarily zero-interest loans.

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14. Fixed Assets, Net of Accumulated Depreciation

Fixed assets are recorded at cost or fair market value on the date of acquisition, net of accumulated depreciation. Depreciation is calculated using the straight-line method computed over the useful life of the asset. Assets may increase or decrease through acquisitions, sales, or impairments.

The table below summarizes FAS assets as of June 30, 2025 and 2024:

(in millions)	**2025**	**2024**
Research facilities	$ 1,295.3	$ 1,269.7
Housing facilities	1,351.8	1,339.8
Classrooms and offices	713.3	656.1
Libraries	262.2	260.9
Athletic facilities	275.9	259.3
Museums and assembly facilities	205.1	197.8
Leasehold improvements	104.9	94.3
Service facilities	49.4	46.3
Land	5.6	5.6
Construction in Progress	456.1	232.9
Equipment	449.9	421.7
Total fixed assets at cost	5,169.5	4,784.4
Less: accumulated depreciation	(2,436.0)	(2,314.2)
Total fixed assets, net	**$ 2,733.5**	**$ 2,470.2**

In 2025, there was an overall increase in the FAS Physical Plant across several categories.

The Science Center renovations continued in 2025, which increased both Classrooms and Offices and Construction in Progress. The increase in Construction in Progress was also driven by the ongoing House Renewal Project, largely with Adams House, and the renovation of the Converse Chemistry Building.

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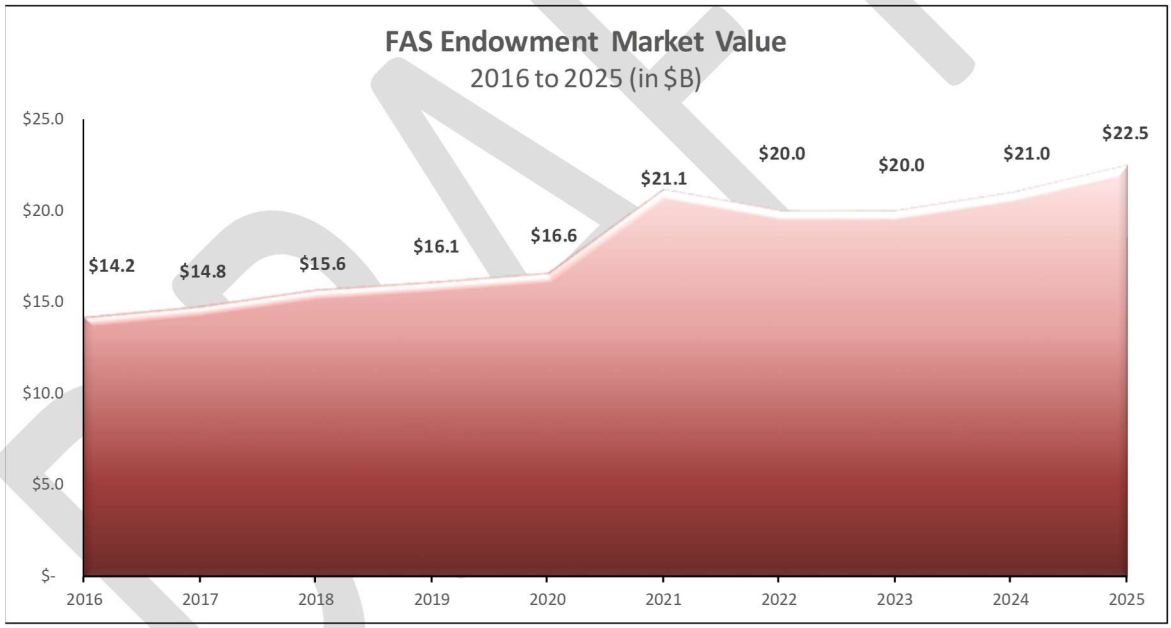
15. Long-Term Investments (Primarily Endowment)

The long-term investments were as follows:

(in millions)	**2025**	**2024**
Endowment Investments	$22,512.1	$20,993.5
Gift Fund Investments	3.4	2.2
General Operating Account Investments [1]	35.0	35.0
TOTAL LONG-TERM INVESTMENTS	**$22,550.5**	**$21,030.7**

[1] Includes the FAS investment in the Giant Magellan Telescope (GMT).

The market value of the FAS endowment over the past ten years was as follows:



The June 30, 2025 FAS endowment market value of $21.8 billion includes endowment investments and undistributed investment earnings. It does not include endowment pledges or interests in trusts held by others.

Changes in market value include all endowment activities: investment appreciation and depreciation, endowment distributions, new gifts, additions to the endowment (capitalizations), and the use of appreciation for specific purposes as approved by the Corporation (decapitalizations).

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16. Internal Debt Obligations

Internal debt obligations were as follows:

(in millions)	**2025**	**2024**
Long-Term Debt	$1,420.7	$1,342.2
Faculty Loans	150.6	143.6
TOTAL INTERNAL DEBT OBLIGATIONS	**$1,571.3**	**$1,485.8**

Long-term debt includes loans for facilities and equipment. Faculty loans are primarily mortgages and educational loans with the faculty of the FAS. Changes in internal debt obligations reflect new borrowings, principal payments, and the paydown of debt on retired plant assets.

17. Investment in Plant and Equipment, Net

Investment in plant and equipment, net was as follows:

(in millions)	**2025**	**2024**
Construction in Progress	$10.1	$ 21.8
Equipment - Work in Progress	20.1	24.6
Equipment - Placed in Service	19.2	15.0
TOTAL INVESTMENT IN PLANT AND EQUIPMENT, NET	**$49.4**	**$61.4**

Net Investment in Plant and Equipment represents the amount that the FAS invests in current- and future-year capital projects from operations. In 2024, there were significant ongoing projects that were completed and placed in service including: the renovation of the Bright-Landry Hockey Center and the Naito Chemistry Lab Building. Investment in Plant and Equipment includes the use of operating cash to support Sponsored and Non-Sponsored research activities.

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